

## Press Release

### Ghodawat Infra LLP (GIL)

18 January, 2017

#### Rating Upgraded

<b>Total Instruments Rated*</b>	Rs.25.00 Cr
<b>Long Term Rating</b>	SMERA BB/Stable (Upgraded from SMERA BB-/Stable)

\*Refer Annexure for details

#### Rating Rationale

SMERA has upgraded the abovementioned rating to '**SMERA BB**' (read as **SMERA double B**) from '**SMERA BB-**' (read as SMERA double B minus) on the 25.00 crore bank facility of Ghodawat Infra LLP (GIL). The outlook is '**Stable**'.

The upgrade is in view of the high booking levels and advanced stage of completion of Life Montage – Phase 1 project.

Ghodawat Infra LLP (GIL) is a Pune-based real estate firm established in 2014. A joint venture project between Ghodawat Group and Pate Group, GIL was promoted by Mr. Sanjay Ghodawat and Mrs. Neeta Sanjay Ghodawat.

#### List of key rating drivers and their detailed description

##### Strengths:

**Experienced promoters:** GIL was promoted by the Ghodawat and the Pate Groups. The promoters of the groups have more than two decades of experience in the real estate sector.

**Location advantage and visibility for bookings:** The project, Life Montage – Phase 1 on Sus road is at a prime location being close to NH4 Highway, Mumbai-Pune Bypass, IT Park at Hinjewadi.

**High bookings:** The firm has received bookings for 258 flats out of 282 flats (90 percent) as on 31 December, 2016.

**Advance stage of completion:** The project is expected to be completed by September 2017 and about 99 percent of the total project cost has been incurred.

##### Weaknesses:

**Moderate advances:** GIL has received moderate advances of Rs.80.03 crore from customers as against sales proceeds (~57.84 percent) as on 31 December 2016.

**Intense competition:** The firm faces intense market competition in the real estate sector.

**Analytical approach:** SMERA has considered the standalone business and financial risk profiles of the firm.

### Applicable Criteria

- Default Recognition: <https://www.smera.in/criteria-default.htm>
- Application of financial ratios and adjustments: <https://www.smera.in/criteria-fin-ratios.htm>

### Outlook: Stable

SMERA believes that the firm will maintain a stable outlook in the medium term owing to its experienced management. The outlook may be revised to 'Positive' if the firm generates steady cash flows. Conversely, the outlook may be revised to 'Negative' in case of delay in project completion or collections thereby creating pressure on liquidity.

### About the Project

GIL has undertaken construction of Life Montage – Phase 1, a residential project of 282 flats (2 BHK, 2.5 BHK and 3 BHK flats) at Sus, Pune (Maharashtra) to be completed by September 2017. The total project cost is Rs.93.65 crore.

### About the Firm

GIL is a Pune-based firm engaged in real estate development since 2014. A joint venture between the Ghodawat Group and the Pate Group, the firm was promoted by Mr. Sanjay Ghodawat and Mrs. Neeta Sanjay Ghodawat.

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

### Rating History for the last three years:

Name of Instrument /Facilities	2017			2016		2015		2014	
	Scale	Amount (Rs. Crore)	Rating with Outlook	Date	Rating	Date	Rating	Date	Rating
Fund Based Working Capital	LT	25.00	SMERA BB/Stable (Upgraded)	-	-	02 Sep	SMERA BB-/Stable (Assigned)	-	-

**\*Annexure - Details of instruments rated:**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Fund Based Working Capital	December 2014	NA	September 2017	25.00	SMERA BB/Stable (Upgraded from SMERA BB-/Stable)

**Note on complexity levels of the rated instrument:** <https://www.smera.in/criteria-complexity-levels.htm>

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## ABOUT SMERA

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